



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

MONUMENT BANK

Person to be contacted regarding this report:	KAREN C. GRAU
CPP Funds Received:	\$4,734,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	1/30/2009
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	57942
City:	BETHESDA
State:	Maryland

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	Monument Bank was able to increase Total Lending by 20% from December 2008 to December 2009 and maintain Risk-based Capital ratios in excess of well-capitalized requirements.
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<input type="checkbox"/>	<p>To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).</p>	<p>Revolving 1-4 family residential secured loans increased 19%, Closed-end 1-4 family residential secured loans increased 41%, Non-farm non-residential increased 32% and Commercial and Industrial increased 32%</p>
<input type="checkbox"/>	<p>Increase securities purchased (ABS, MBS, etc.).</p>	<p>Available for sale securities increased 150%, with a majority of purchases in mortgage-backed securities due to the CPP Capital and increased FHLB Borrowing.</p>
<input type="checkbox"/>	<p>Make other investments</p>	
<input type="checkbox"/>	<p>Increase reserves for non-performing assets</p>	<p>Monument Bank began to experience minor loan quality issues during 2009 and was able to increase reserves approximately \$1.1MM, or twice the reserves from the previous year, while maintaining profitability.</p>

<input type="checkbox"/>	Reduce borrowings	
<input type="checkbox"/>	Increase charge-offs	Monument Bank experienced loan charge-offs for the first time during 2009, representing 14 bps of Total Assets, well below peer level, with no significant impact to earnings.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

Monument Bank was able to sustain reasonable asset growth of 20% for 2009, and expects to continue at this level over the next year or two.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

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According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.